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## Stocks Expected to End Week on Positive Note

By Renae Merle  
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Stocks were flat today after a government report showed that employers were slashing jobs at a slower rate last month.

The Dow Jones industrial average was up 0.5 percent, or 43 points, while the Standard & Poor's 500-stock index was flat, up 2 points. The tech-heavy Nasdaq was also flat, up 1 point.

Industrial stocks were helping to moderate early losses. Alcoa and Boeing were up 5 percent and 4 percent, respectively, giving them the biggest gains on the Dow. United Technologies was up 3 percent.

Despite a rocky week of trading, the major indexes are headed toward another positive week. In fact, the Dow is close to breaking even for the year so far, rebounding from 12-year lows in March.

Investors have been cheered by early signs that the economy's deterioration is slowing. That was reinforced today by an unemployment report that, in some respects, was better than analysts expected. But investor optimism has also been challenged this week by concerns about the growing budget deficit and that the stock market rebound may be speeding ahead of any economic stability.

**"I think this market is riding on its momentum. It behaves very much like my five-year-old -- it hears what it wants to hear," said Randy Cass, founder of First Coverage, which analyzes market sentiment using analysts' recommendations.**

Economists had expected employers to cut 525,000 last month, but the number came in much lower, at 345,000. Still, the unemployment rate soared above 9 percent for the first time in 26 years. "A case can be made that the economy is decaying at a slower rate in the second quarter but projecting out to a second half recovery still seems to be a stretch," said Steven Ricchiuto, chief economist for Mizuho, in a research note.

Job losses will continue throughout 2009, and the unemployment rate will peak above 10 percent, said Nigel Gault, chief U.S. economist for IHS Global Insight. "But the worst news is behind us, and job declines should progressively soften as the year proceeds," he said in a research note. "The light at the end of the tunnel just got a lot brighter. May's employment report brings clear evidence that the labor market is beginning to stabilize."

Crude oil prices spiked above \$70 a barrel today for the first time since November before losing some ground. It was trading at about \$68 a barrel on the New York Mercantile Exchange late this morning. Goldman Sachs said earlier this week that

after dipping to \$33 a barrel earlier this year, crude prices could reach \$75 a barrel within three months.

Overseas stocks were also up. London's FTSE was up 1.5 percent, while the Dax in Germany gained .9 percent. Japan's Nikkei also gained 1 percent.